

Statutory Reference:

Tax Rate (MCA) – 16-1-406

Distribution (MCA) – 16-1-406

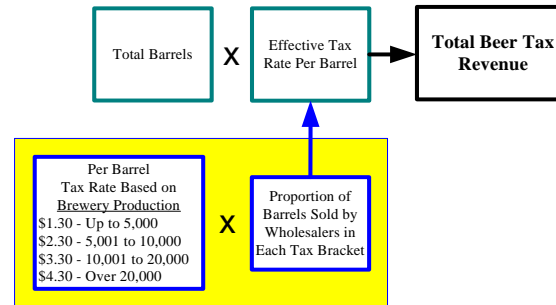
Data Due – end of the month and collected in the next month

% of Total FY 2004 General Fund: 0.21%

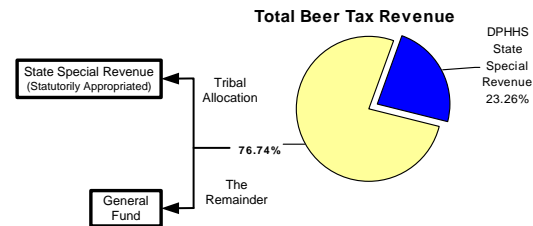
Reasons For Historical Changes

- Tax Changes
 - Fiscal 1986 – increased tax \$0.30 (House Bill 374, Chapter 721)
 - Fiscal 1993 & 1994 (September 1992 to August 1993)– temporarily increased tax by a 7% surtax in the July 1992 special session (HB 44, Chapter 15)
- Economic Changes
 - Greater consumption in later half of the 1990's possible due to thriving economy
 - Decline in consumption in the mid 1980's possible due to sluggish economy

Forecast Methodology



Distribution Methodology



Legislative Fiscal Division



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LEGISLATIVE FISCAL DIVISION

Taxes in Brief...

Beer Tax

November 2004

Fiscal Pocket Guide



Legislative Fiscal Division
Revenue and Taxation Policy
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Beer Tax

Revenue Description:

A tax is levied on each barrel of beer (31 gallons) produced in or imported into Montana based on the amount produced. A small portion of the revenue from the beer license tax is returned to Indian tribes per an agreement between the Department of Revenue and the tribes.

Applicable Tax Rate(s):

The per barrel tax varies based on barrels of production:

- up to 5,000 barrels - \$1.30
- 5,001 to 10,000 barrels - \$2.30
- 10,001 to 20,000 barrels - \$3.30
- over 20,000 barrels - \$4.30

Distribution:

Beer tax revenue is distributed 76.74 percent to the general fund and 23.26 percent to the DPHHS state special revenue alcohol account. The general fund portion is reduced by the amount of the tribal distribution.

Collection Frequency:

Monthly

Major Drivers:

- Barrels of beer sold
- Tax rate

